

**EXHIBIT B**

**Medler Declaration**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	) Chapter 11
	)
W. R. GRACE & CO., et al., <sup>1</sup>	) Case No. 01-01139 (KJC)
	) (Jointly Administered)
Reorganized Debtors.	)
	) <b>Hearing Date: November 20, 2014, at 3:00 p.m.</b>
	) <b>Response Deadline: November 3, 2014</b>
	)

**DECLARATION OF ROBERT J. MEDLER IN SUPPORT OF THIRTY-SECOND  
OMNIBUS OBJECTION TO CERTAIN ENVIRONMENTAL CLAIMS (SUBSTANTIVE  
OBJECTION)**

COUNTY OF SHELBY           )  
STATE OF TENNESSEE         ) ss.

Robert J. Medler, after being duly sworn according to law, deposes and says:

1. I am over the age of 18 and competent to testify. I am Director of Remediation, Environment, Health & Safety for W. R. Grace & Co.-Conn. ("Grace-Conn."), which is one of the above-captioned reorganized debtors (collectively, "Grace" or the "Reorganized Debtors"). I am responsible for reviewing environmental claims and the resolution thereof during the chapter 11 cases. In that capacity, I have reviewed the Reorganized Debtors' *Thirty-Second Omnibus Objection to Certain Environmental Claims (Substantive Objection)* (the "Objection"), filed concomitantly herewith. All facts set therein and in this Declaration are based on my personal knowledge, upon information supplied to me by the Reorganized Debtors' employees and

1 The Reorganized Debtors comprise the following 17 entities: W. R. Grace & Co. ("Grace," f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co. Conn. ("Grace-Conn."), Darex Puerto Rico, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Gloucester New Communities Company, Inc., Grace Chemical Company of Cuba, Grace Energy Corporation, Grace Europe, Inc., Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace PAR Corporation, W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Guanica Caribe Land Development Corporation, Hanover Square Corporation, Kootenai Development Company, Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), and Water Street Corporation.

professionals retained in these chapter 11 cases, as well as upon my opinion based upon my experience and knowledge of Grace's businesses.<sup>2</sup>

2. Upon information and belief, the Reorganized Debtors maintain books and records (the "Books and Records") that reflect, among other things, the Debtors' liabilities and the respective amounts owed to their creditors. If called upon to testify, I could and would testify competently to the facts and opinions contained in this Declaration.

- ***Claim no. 13934 – Hampshire Chemical Corp.***

3. Claim no. 13934 (the "Hampshire Chemical Claim"), filed by Hampshire Chemical Corp. ("Hampshire Chemical"), asserts contingent, unliquidated damages in the amount of \$6.5 million, based upon the Reorganized Debtors' alleged liability for environmental clean-up and remediation of certain property in Owensboro, KY. The Hampshire Chemical Claim asserts that such liability arises from an Asset Purchase Agreement dated July 20, 2000, a copy of which is attached to the Hampshire Chemical Claim as Exhibit A (the "Hampshire APA," whereby Hampshire Chemical sold certain business assets to the Reorganized Debtors), and pursuant to the terms and conditions of that certain Owensboro Settlement Agreement entered into on June 21, 1999 between Grace-Conn. and an affiliate and Hampshire Chemical and an affiliate, which was not attached to the Hampshire Chemical Claim due to confidentiality concerns.

4. As part of the Hampshire APA, the Reorganized Debtors agreed to assume certain environmental remediation liabilities. A letter dated August 14, 2006, from the Kentucky Environmental and Public Protection Cabinet states that Grace has performed all of its

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<sup>2</sup> Capitalized terms not defined herein shall have the meaning ascribed to them in, as the case may be, the Objection or the *First Amended Joint Plan of Reorganization in their Chapter 11 Cases* [Docket no. 26368], as it may be further supplemented or otherwise further amended from time to time, and the schedules and exhibits to the foregoing, as they may be in effect from time to time (the "Plan").


environmental remediation obligations for the Owensboro site arising under the *Agreed Order* between the Commonwealth of Kentucky Natural Resources and Environmental Protection Cabinet, Grace and Hampshire Chemical (a copy of which is attached as Exhibit B to the Hampshire Chemical Claim). As of the Effective Date, the Reorganized Debtors therefore had no outstanding obligations to Hampshire Chemical under any of the Hampshire APA, the Owensboro Settlement Agreement or the *Agreed Order*.

- ***Claim no. 1719 – Weatherford International***

5. The property at issue in Claim no. 1719 (the “Remaining Weatherford Claim”), filed by Weatherford International, Inc. (“Weatherford”), is located in Kalkaska, MI. It has been the subject of environmental remediation pursuant to a 1994 consent decree with the State of Michigan and the Michigan Department of Natural Resources (a copy of which is attached to the Remaining Weatherford Claim as Exhibit B). Weatherford, Homco International, Inc. (“Homco”), Grace-Conn., and NL Industries, Inc., are responsible parties under that consent decree. On information and belief, that remediation has long been completed or is otherwise being completed by the past owner and operator, NL Industries, Inc. The Reorganized Debtors therefore had no liability to Weatherford under the Remaining Weatherford Claim as of the Effective Date.

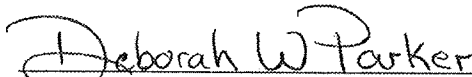
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6. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

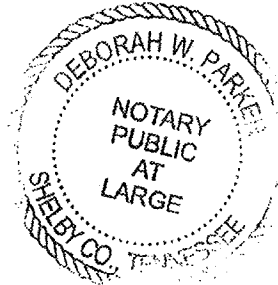


Robert J. Medler  
Director Remediation, Environment, Health &  
Safety  
W. R. Grace & Co.-Conn.

SWORN AND SUBSCRIBED before me,  
this 2<sup>nd</sup> day of October 2014

  
Notary Public

My Commission Expires: \_\_\_\_\_



MY COMMISSION EXPIRES FEBRUARY 22, 2015